



***Substitute House Bill No. 6374***

***Public Act No. 13-275***

***AN ACT CONCERNING COORDINATED LONG-TERM DISASTER  
RELIEF AND RECOVERY.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 4-37e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

As used in this section and sections 4-37f to 4-37j, inclusive, as amended by this act:

(1) "State agency" means each state board, authority, commission, department, office, institution, council or other agency of the state including, but not limited to, each constituent unit and each public institution of higher education.

(2) "Foundation" means an organization, fund or any other legal entity which is (A) exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, [as amended] or any subsequent corresponding internal revenue code of the United States, as from time to time amended, and (B) established for the principal purpose of receiving or using private funds for charitable, scientific, cultural, educational or related purposes that support or improve a state agency or for coordinated emergency recovery purposes. Such an organization, fund or other legal entity shall not be deemed to be a

**Substitute House Bill No. 6374**

state agency or a public agency, as defined in section 1-200.

(3) "Executive authority" means (A) a department head, as defined in section 4-5, (B) the executive secretary or president of a constituent unit, (C) the chief executive officer of a public institution of higher education, and (D) the chief executive officer of any other state agency.

(4) "Constituent unit" means a constituent unit as defined in section 10a-1.

(5) "Public institution of higher education" means a public college or university in the state system of higher education or The University of Connecticut School of Law.

(6) "Coordinated emergency recovery" means the support and improvement of state services affected by a natural disaster, act of domestic terrorism, catastrophic event or other unforeseen emergency, including, but not limited to, services provided by the Department of Emergency Services and Public Protection and the Office of Victim Services.

Sec. 2. Section 4-37f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

The executive authority of each state agency for which a foundation is established shall, in accordance with a policy adopted by the board of trustees of the constituent unit for each state agency which is a constituent unit or which is a public institution of higher education under the jurisdiction of the constituent unit, ensure that, or the executive authority of each state agency for which a foundation is established for the principal purpose of coordinated emergency recovery shall ensure that:

(1) The foundation shall have a governing board to oversee its operation;

***Substitute House Bill No. 6374***

(2) If the state agency is a constituent unit, the following persons shall serve as nonvoting members of the governing board of the foundation unless the bylaws of the foundation provide that they be voting members: The executive authority of the constituent unit, or his designee, a student enrolled at an institution under the jurisdiction of the constituent unit, who shall be elected by the students enrolled at the institutions under the jurisdiction of the constituent unit, and a member of the faculty of any such institution, who shall be elected by the faculty of the institutions under the jurisdiction of the constituent unit. Elections pursuant to this subdivision shall be conducted in accordance with procedures for such elections established by the board of trustees of the constituent unit;

(3) If the constituent unit is the Board of Trustees of the Community-Technical Colleges or the Board of Trustees of the Connecticut State University System, the purposes of the foundation shall be limited to providing funding for (A) scholarships or other direct student financial aid, and (B) programs, services or activities at one or more of the institutions within its jurisdiction;

(4) If the state agency is a public institution of higher education, the following persons shall serve as nonvoting members of the governing board of the foundation unless the bylaws of the foundation provide that they be voting members: The executive authority of the institution, or his designee, a student enrolled at the institution, who shall be elected by the students enrolled in the institution and a member of the faculty of the institution, who shall be elected by the faculty of the institution. Elections pursuant to this subdivision shall be conducted in accordance with procedures for such elections established by the board of trustees of the constituent unit which has jurisdiction over the institution;

(5) The governing board of the foundation shall annually file with the state agency an updated list of the members and officers of such

***Substitute House Bill No. 6374***

board;

(6) The salaries, benefits and expenses of officers and employees of the foundation shall be paid solely by the foundation;

(7) The foundation shall use generally accepted accounting principles in its financial record-keeping and reporting;

(8) A foundation which has in any of its fiscal years receipts and earnings from investments totaling one hundred thousand dollars per year or more, or a foundation established for the principal purpose of coordinated emergency recovery that operated in response to an eligible incident, as defined in section 4 of this act, during the fiscal year or with funds that exceeded one hundred thousand dollars in the aggregate, shall have completed on its behalf for such fiscal year a full audit of the books and accounts of the foundation. A foundation which has receipts and earnings from investments totaling less than one hundred thousand dollars in each fiscal year during any three of its consecutive fiscal years beginning October 1, 1986, shall have completed on its behalf for the third fiscal year in any such three-year period a full audit of the books and accounts of the foundation, unless such foundation was established for the principal purpose of coordinated emergency recovery and had completed on its behalf such an audit for any year in any such three-year period. For each fiscal year in which an audit is not required pursuant to this subdivision financial statements shall be provided by the foundation to the executive authority of the state agency. Each audit under this subdivision shall be conducted (A) by an independent certified public accountant or, if requested by the state agency with the consent of the foundation, the Auditors of Public Accounts, and (B) in accordance with generally accepted auditing standards. The audit report shall include financial statements, a management letter and an audit opinion which address the conformance of the operating procedures of the foundation with the provisions of sections 4-37e to 4-37i, inclusive, as amended by this

***Substitute House Bill No. 6374***

act, and recommend any corrective actions needed to ensure such conformance. Each audit report shall disclose the receipt or use by the foundation of any public funds in violation of said sections or any other provision of the general statutes. The foundation shall provide a copy of each audit report completed pursuant to this subdivision to the executive authority of the state agency and the Attorney General. Each financial statement required under this subdivision shall include, for the fiscal year to which the statement applies, the total receipts and earnings from investments of the foundation and the amount and purpose of each receipt of funds by the state agency from the foundation. As used in this subdivision, "fiscal year" means any twelve-month period adopted by a foundation as its accounting year; [and]

(9) There shall be a written agreement between the state agency and the foundation which (A) addresses any use by the foundation of the agency's facilities and resources including, but not limited to, office space, storage space, office furniture and equipment, utilities, photocopying services, computer systems and the maintenance by the state agency of the books and records of the foundation, provided any such books and records maintained by the state agency shall not be deemed to be public records and shall not be subject to disclosure pursuant to the provisions of section 1-210, (B) provides that the state agency shall have no liability for the obligations, acts or omissions of the foundation, (C) requires the foundation to reimburse the state agency for expenses the agency incurs as a result of foundation operations, if the agency would not have otherwise incurred such expenses, (D) in the case of foundations established for a constituent unit of the state system of higher education or for a public institution of higher education, requires the foundation to establish and adhere to an investment policy and a spending policy that are consistent with sections 45a-535 to 45a-535i, inclusive, and (E) provides that if the foundation ceases to exist or ceases to be a foundation, as defined in

***Substitute House Bill No. 6374***

section 4-37e, as amended by this act, (i) the foundation shall be prohibited from using the name of the state agency, (ii) the records of the foundation, or copies of such records, shall be made available to and may be retained by the state agency, provided any such records or copies which are retained by the state agency shall not be deemed to be public records and shall not be subject to disclosure pursuant to the provisions of section 1-210, and (iii) there are procedures for the disposition of the financial and other assets of the foundation. If the state agency is a constituent unit, the board of trustees of the constituent unit shall approve such agreement. If the state agency is a public institution of higher education, the board of trustees of the constituent unit which has jurisdiction over the institution shall approve such agreement; and

(10) If the foundation is established for the principal purpose of coordinated emergency recovery, the Department of Emergency Services and Public Protection shall be deemed the state agency for purposes of this section, and the deputy commissioner of said department with jurisdiction over the Division of Emergency Management and Homeland Security shall be deemed the executive authority for purposes of this section.

Sec. 3. Section 4-31a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Any gift, contribution, income from trust funds, or other aid from any private source or from the federal government, except federal aid for highway and bridge purposes or federal funds in the possession of the Board of Control of the Connecticut Agricultural Experiment Station, the Board of Trustees of the University of Connecticut, the Board of Trustees of the Connecticut State University System, the Board of Trustees of the Community-Technical Colleges, or the Employment Security Division of the Labor Department, or any other gift, grant or trust fund in the possession of any of said boards,

**Substitute House Bill No. 6374**

shall be entered upon the records of the General Fund in the manner prescribed by the Secretary of the Office of Policy and Management. When so recorded, such amounts shall be deemed to be appropriated to the purposes of such gift, contribution or other aid and shall be allotted in accordance with law. No gift, contribution, income from trust funds, or other aid from any private source or from the federal government that is subject to this subsection shall require allotment, except upon a notice by the Secretary of the Office of Policy and Management that the state agency receiving such funding has failed to consistently provide the notifications required in subsection (e) of section 4-66a.

(b) Notwithstanding the provisions of subsection (a) of this section, any funds that are donated or contributed by any private source with the intent that such gift or contribution be used to support coordinated emergency recovery, as defined in section 4-37e, as amended by this act, shall not be entered upon the records of the General Fund and such amounts shall not be deemed to be appropriated to the purposes of such gift or contribution.

[[b)] ~~(c)~~ No fund shall be created and set up on the books of the state except by act of the General Assembly or upon the approval of the Governor.

Sec. 4. (NEW) (*Effective from passage*) As used in this section and sections 5 to 7, inclusive, of this act:

(1) "Eligible incident" means any emergency declared by a political subdivision of the state, declared by the Governor in accordance with section 28-9 of the general statutes or declared by two-thirds vote of the board following a request of the Governor;

(2) "CT CARE" means the Connecticut Coordinated Assistance and Recovery Endowment foundation established under section 5 of this

**Substitute House Bill No. 6374**

act;

(3) "Board" means the governing board of CT CARE;

(4) "Victims' relief" means direct financial payments to those individuals determined by the board to be most affected by an eligible incident;

(5) "Assistance" means moneys payable by CT CARE in furtherance of coordinated emergency recovery, as defined in section 4-37e of the general statutes, as amended by this act, other than victims' relief, to assist eligible recipients affected by an eligible incident including individuals, municipalities and nonprofit organizations; and

(6) "Endowment fund eligible gift" means a gift from a private source to or for the benefit of CT CARE that the donor has specifically designated for deposit in an endowment fund or that, by the terms of the gift, CT CARE may and does deposit or permit to be deposited in an endowment fund.

Sec. 5. (NEW) (*Effective from passage*) (a) There is established, in accordance with the provisions of section 4-37f of the general statutes, as amended by this act, a foundation that shall be known as the Connecticut Coordinated Assistance and Recovery Endowment or CT CARE. The purpose of the foundation is to support coordinated emergency recovery, as defined in section 4-37e of the general statutes, as amended by this act. The foundation may accept disbursements from the Coordinated Emergency Recovery Fund pursuant to section 6 of this act and may accept gifts, grants or donations from private sources to enable the foundation to carry out its purposes.

(b) (1) CT CARE shall be administered by a governing board. The board shall include the following voting members: (A) Seven members appointed by the Governor who shall have experience in finance or accounting or with the operation of a nonprofit or other corporation,



***Substitute House Bill No. 6374***

each of whom shall serve at the pleasure of the Governor; (B) the Secretary of the Office of Policy and Management, or the secretary's designee; (C) the Deputy Commissioner of Emergency Services and Public Protection with jurisdiction over the Division of Emergency Management and Homeland Security, or the deputy commissioner's designee; (D) an employee of the Office of Victim Services within the Judicial Department appointed by the Chief Court Administrator; (E) the chairperson of each regional emergency planning team established by the Division of Emergency Management and Homeland Security within the Department of Emergency Services and Public Protection; and (F) two members, appointed by the Connecticut Council for Philanthropy, each of whose term shall be coterminous with that of the Governor, provided such member's term shall extend through the duration of an eligible incident and, after expiration of such member's term, through any period in which a new appointment to replace such member has yet to be made.

(2) The following persons shall serve on the governing board as nonvoting members in an advisory capacity, in a manner determined by the executive committee pursuant to subsection (g) of this section: (A) The State Emergency Management Director, or the director's designee; (B) the Commissioner of Social Services, or the commissioner's designee; (C) the Insurance Commissioner, or the commissioner's designee; (D) (i) the executive director of the Connecticut Conference of Municipalities or the executive director's designee, and (ii) the executive director of the Connecticut Council of Small Towns or the executive director's designee, each of whose term shall be coterminous with that of the Governor, provided such member's term shall extend through the duration of an eligible incident; and (E) such other persons as determined by the executive committee established pursuant to subsection (g) of this section.

(3) All appointments to the governing board shall be made not later

***Substitute House Bill No. 6374***

than thirty days after the effective date of this section. Any vacancy shall be filled by the appointing authority. The Governor shall select the chairperson of the governing board and the chairperson shall call the first meeting of the board, which shall be held not later than sixty days after the effective date of this section.

(c) The governing board shall: (1) Adopt policies, bylaws and governing documents and undertake other measures to (A) ensure that the foundation receives and maintains its status as a legal entity exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, and (B) receive and distribute funds donated in response to an eligible incident; (2) register CT CARE with applicable state or federal agencies; (3) establish best practices for operating and administering CT CARE to provide coordinated emergency recovery; (4) in anticipation of eligible incidents, create objective guidelines, protocols, scenarios or bases tailored to respond to foreseeable eligible incidents; (5) take actions necessary to ensure financial independence and sustainability, which may include engaging in solicitation of private donations including for the purpose of funding its operations with restricted or endowment funds; (6) for each eligible incident, certify to the Governor and the State Treasurer that the foundation is ready, willing and able to receive private donations and carry out coordinated emergency recovery, as defined in section 4-37e of the general statutes, as amended by this act; (7) establish a distribution committee pursuant to the provisions of subsection (f) of this section, receive recommendations from such distribution committee and formally adopt any proposed formula to distribute victims' relief funds; and (8) fund its operations and pay its expenses from sources of funding designated for that purpose.

(d) The board may: (1) Sue and be sued; (2) employ fiscal agents,

***Substitute House Bill No. 6374***

accountants, legal counsel or other professionals to carry out the purposes of CT CARE, including, but not limited to, an executive director or such other staff as the board may deem necessary; (3) negotiate for services with state agencies or qualified nonprofit entities; (4) delegate decision making authority on the distribution of funds, except as provided in subdivision (7) of subsection (c) of this section concerning adoption of any proposed formula to distribute victims' relief funds; and (5) consider and promote the concepts and best practices associated with coordinated emergency recovery.

(e) Any person employed by the board pursuant to the provisions of subdivision (2) of subsection (d) of this section shall not be considered a state employee.

(f) For each eligible incident, the board shall establish a distribution committee. The distribution committee shall include: (1) The regional coordinator for the Division of Emergency Management and Homeland Security within the Department of Emergency Services and Public Protection of any region affected, as determined by the board or as otherwise provided for in a declaration of emergency causing an incident to become eligible; (2) the chief executive officer for each affected municipality, as determined by the board or as otherwise provided for in a declaration of emergency causing an incident to become eligible; (3) the chairperson of each regional emergency planning team established by the Division of Emergency Management and Homeland Security within the Department of Emergency Services and Public Protection affected, as determined by the board or as otherwise provided for in a declaration of emergency causing an incident to become eligible; and (4) not more than two residents of an affected municipality or municipalities who shall be appointed by the chairperson of the board. The distribution committee shall assist the board in determining eligibility requirements for recipients of distributions from any fund established by CT CARE, provided no

**Substitute House Bill No. 6374**

distribution shall be made except by action of the board.

(g) The board shall establish an executive committee with membership determined by the board. The executive committee shall inform nonvoting members of the board of their roles as advisors and attend to any other duties prescribed to the executive committee by the board.

Sec. 6. (NEW) (*Effective from passage*) (a) There is established a fund to be known as the Coordinated Emergency Recovery Fund. The State Treasurer shall be the custodian of said fund and is authorized to accept gifts, grants or donations from private sources to be held in the fund and disbursed in accordance with subsection (b) of this section and sections 45a-514 and 47-2 of the general statutes. The sums received by the fund shall be accounted for separately and apart from all other state moneys, and the full faith and credit of the state of Connecticut is pledged for their safekeeping.

(b) Disbursements from the fund shall be made by the State Treasurer or the State Treasurer's designee to CT CARE upon (1) the declaration of an eligible incident, and (2) receipt of the certification required in subdivision (6) of subsection (c) of section 5 of this act.

(c) On or before January 1, 2014, and monthly thereafter, the State Treasurer shall submit to the Governor and the Attorney General a report on the financial condition of the Coordinated Emergency Recovery Fund. Such report shall include (1) an estimate of the fund's value as of the date of the report; (2) the effect of disbursements and scheduled disbursements on the fund's value; and (3) an estimate of the monthly administrative costs necessary to operate the fund.

Sec. 7. (NEW) (*Effective from passage*) (a) CT CARE shall provide victims' relief and assistance to individuals, municipalities, nonprofit organizations and other eligible recipients affected by an eligible

***Substitute House Bill No. 6374***

incident. Upon the declaration of each eligible incident, the board shall establish the following funds to provide victims' relief and assistance as indicated: (1) A victims' relief fund to provide victims' relief in accordance with the formula adopted by the board pursuant to subdivision (7) of subsection (c) of section 5 of this act; (2) an individual assistance fund to provide needs-based assistance to affected individuals; and (3) a public assistance fund to provide local emergency funding to affected municipalities, nonprofit organizations and other eligible recipients. Such funds shall contain moneys disbursed to CT CARE by the State Treasurer pursuant to section 6 of this act. For each eligible incident, the board may establish such other funds as it deems necessary or desirable to provide coordinated emergency recovery with respect to each eligible incident.

(b) In the event the moneys in any of the funds established pursuant to subsection (a) of this section, other than the victims' relief fund, are insufficient to provide full and complete assistance, such assistance shall be provided on a pro rata basis at the discretion of the board. Victims' relief or assistance provided under this section shall be deemed unavailable for repayment of assistance given by the Federal Emergency Management Agency.

(c) The board may establish permanent endowment funds, including, but not limited to, a permanently unrestricted fund to pay for the operating expenses of CT CARE. Any such endowment funds shall be administered by the board and shall be held in a trust fund with a bank or trust company separate and apart from all other funds and accounts of CT CARE. There shall be deposited into any such endowment fund: (1) Endowment fund eligible gifts, and (2) interest or other income earned on the investment of moneys in such endowment fund pending application or transfer or use of earnings on the principal thereof for the purposes for which such fund was established.

***Substitute House Bill No. 6374***

Approved July 11, 2013